# UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, D.C.

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In the Matter of CERTAIN RARE-EARTH MAGNETS AND MAGNETIC MATERIALS ARTICLES CONTAINING SAME

Inv. No. 337-TA-413

# GENERAL EXCLUSION ORDER

The Commission has determined that there is a violation of section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337) in the unlawful importation and sale of certain rare earth magnets and magnetic materials that infringe claims of U.S. Letters Patent Nos. 4,851,058; 4,802,931; 4,496,395; 4,770,723; 4,792,368; and 5,645,651.

Having reviewed the record in this investigation, including the written submissions of the parties, the Commission has made its determination on the issues of remedy, the public interest, and bonding. The Commission has determined that a general exclusion from entry for consumption of articles is necessary to prevent circumvention of an exclusion order limited to products of named persons because there is a pattern of violation of section 337 and it is difficult to identify the source of infringing products. Accordingly, the Commission has determined to issue a general exclusion order prohibiting the unlicensed importation of infringing rare-earth magnets and magnetic materials.

The Commission has also determined that the public interest factors enumerated in subsections (d) and (f) of section 337 do not preclude the issuance of the general exclusion order and that the bond during the Presidential review period shall be in the amount of one hundred

(100) percent of the entered value of the articles in question. Accordingly, the Accordingly, the

Commission hereby ORDERS that:

1. Rare-earth magnets and magnetic materials covered by one or more of the following claims of the following patents:

claims 1, 4, 5, 8, 9, and 11 of U.S. Letters Patent 4,851,058;

claims 1-6, 10, 14-16, and 18-20 of U.S. Letters Patent 4,802,931;

claims 13-18 of U.S. Letters Patent 4,496,395;

claims 2-9, 24, 31, and 34 of U.S. Letters Patent 4,770,723;

claims 2-6, 8-10, 29, 37, and 38 of U.S. Letters Patent 4,792,368; and

claims 1-3, 5, 15, 18, 19, 21, and 22 of U.S. Letters Patent 5,645,651

are excluded from entry for consumption, entry for consumption from a foreign-trade zone, and withdrawal from warehouse for consumption for the remaining terms of those patents, except under license of the patent owner or as provided by law.

- 2. Notwithstanding paragraph I of this Order, nothing in this Order shall apply to International Magna Products, Inc., American Union Group, Inc., CYNNY Magnets, H.T.I..E., Inc., or Houghes International, Inc., pursuant to paragraph 10 of the Consent Orders issued by the Commission on February 1 and 9, 1999.
- 3. Notwithstanding paragraph 1 of this Order, the aforesaid rare-earth magnets and magnetic materials are entitled to entry for consumption into the United States under bond in the amount of one hundred (100) percent of the entered value of such articles, from the day after this Order is received by the President, pursuant to subsection (j) of section 337 of the Tariff Act of 1930, as amended, until such time as the President notifies the Commission that he approves or disapproves this action, but no later than 60 days after the receipt of this Order by the President.
- 4. In accordance with subsection (1) of section 337, the provisions of this Order shall not apply to rare earth magnets or magnetic materials imported by and for the use of the United States, or imported for, and to be used for, the United States with the authorization or consent of the

Government.

- 5. The Commission may modify this Order in accordance with the procedure described in section 210.76 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.76).
- 6. The Secretary shall serve copies of this Order upon each party of record in this investigation, upon International Magna Products, Inc., American Union Group, Inc., CYNNY Magnets, H.T.I.E. Inc., and Houghes International, Inc., and upon the Department of Health and Human Services, the Department of Justice, the Federal Trade Commission, and the U.S. Customs Service.
- 7. Notice of this Order shall be published in the *Federal Register*.

By order of the Commission.

Donna R. Koehnke Secretary

Issued: December 10, 1999

# UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, D.C.

) In the Matter of )) CERTAIN RARE-EARTH MAGNETS ) AND MAGNETIC MATERIALS ) AND ARTICLES CONTAINING SAME )

Inv. No. 337-TA-413

# ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED THAT Respondent cease and desist from conducting any of the following activities in the United States: importing, selling, marketing, advertising distributing, offering for sale, transferring (except for exportation), or soliciting 1~.S. agents or distributors for certain rare earth magnets and magnetic materials in violation of Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337.

I.

# (Definitions)

As used in this Order:

- (A) "Commission" shall mean the U.S. International Trade Commission.
- (B) "Complainants" shall mean Magnequench International, Inc. and Sumitomo Special Metals

Co., Ltd., complainants in this investigation, and their successors and assigns.

(C) "Respondent" shall mean Multi-Trend International Corp., a/k/a MTI-Modern Technology,

Inc., 43288 Christy Street, Fremont, CA 94538.

(D) "Person" shall mean an individual, or any nongovernmental partnership, firm, association, corporation, or other legal or business entity other than the Respondent or its majority owned or controlled subsidiaries, their successors, or assigns.

(E) "United States" shall mean the fifty states, the District of Columbia, and Puerto

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(F) "Covered Product" shall mean rare earth magnets and magnetic materials that infringe one or more of the following claims of one or more of the following patents:

claims 1, 4, 5, 8, 9, and 11 of U.S. Letters Patent 4,851,058;

claims 1-6, 10, 14-16, and 18-20 of U.S. Letters Patent 4,802,931;

claims 13-18 of U.S. Letters Patent 4,496,395;

claims 2-9, 24, 31, and 34 of U.S. Letters Patent 4,770,723;

claims 2-6, 8-10, 29, 37, and 38 of U.S. Letters Patent 4,792,368; and

claims 1-3, 5, 15, 18, 19, 21, and 22 of U.S. Letters Patent 5,645,651.

(G) The terms "import" and "importation" refer to entry for consumption, entry for consumption from a foreign-trade zone, and withdrawal from warehouse for consumption under the Customs Laws of the United States.

# II.

# (Applicability)

The provisions of this Order shall apply to Respondent and any of its principals, stockholders, officers, directors, employees, agents, licenses, distributors, controlled (whether by stock ownership or otherwise) and/or majority owned business entities, successors, and assigns, and to each of them,

insofar as they are engaging in conduct prohibited by Section III,

infra, for, with, or otherwise on behalf of Respondent.

## Ш

## (Conduct Prohibited)

The following conduct of the Respondent in the United States is prohibited by the Order. The Respondent shall not:

(A) import or sell for importation into the United States covered product except under license of the patent owner;

(B) market, distribute, offer for sale, sell, or otherwise transfer (except for exportation) in the United States imported covered product except under license of the patent owner;

(C) advertise imported covered product except under license of the patent owner;

(D) solicit U.S. agents or distributors for imported covered product except under license of the patent owner; or

(E) aid or abet other entities in the importation, sale for importation, sale after importation,

transfer, or distribution of covered product, except under license of the patent owner.

IV.

# (Conduct Permitted)

Notwithstanding any other provision of this Order, specific conduct otherwise prohibited by the terms of this Order shall be permitted if, in a written instrument, the patent owner licenses or authorizes such specific conduct, or such specific conduct is related to the importation or sale of covered product

by or for the United States.

# (Reporting)

For purposes of this reporting requirement, the reporting period shall commence on July 1 of each year and shall end on the subsequent June 30. However, the first report required under this section shall cover the period from the date of issuance of this Order through June 30, 2000. This reporting requirement shall continue in force until such time as the Respondent will have truthfully reported, in two consecutive timely filed reports, that it has no inventory of covered product in the United States.

Within thirty (30) days of the last day of the reporting period, Respondent shall report to the Commission the quantity in units and the value in dollars of foreign-made covered product that Respondent has imported and sold in the United States during the reporting period and the quantity and value of foreign-made covered product that remains in inventory at the end of the reporting period.

Any failure to make the required report or the filing of any false or inaccurate report shall constitute a violation of this Order and may be referred to the U.S. Department of Justice as a possible criminal violation of 18 U.S.C. § 1001. VI.

## VI.

## (Record Keeping and Inspection)

(A) For purposes of securing compliance with this Order, Respondent shall retain any and all records to the sale, offer for sale, marketing, or distribution in the United States of imported covered product made and received in the usual and ordinary course of business, whether in detail or in summary form, for a period of two (2) years from the close of the fiscal year to which they pertain.

V.

(B) For the purposes of determining or securing compliance with this Order and for no other purpose, and subject to any privilege recognized by the federal courts of the United States, duly authorized representatives of the Commission upon reasonable written notice by the Commission or its staff, shall be permitted access and the right to inspect and copy in Respondent's principal offices during office hours, and in the presence of counsel or other representatives if Respondent so chooses, all books, ledgers, accounts, correspondence, memoranda, and other records and documents, both in detail and in summary form as are required to be retained by subsection VI(A) of this Order.

#### VII.

## (Service of Cease and Desist Order)

Respondent is ordered and directed to:

(A) Serve, within fifteen (15) days after the effective date of this Order, a copy of this Order upon each of its respective officers, directors, managing agents, agents, and employees who have any responsibility for the marketing, distribution, or sale of imported covered product in the United States;

(B) Serve, within fifteen (15) days after the succession of any persons referred to in subsection VII(A) of this Order, a copy of the Order upon each successor; and

(C) Maintain such records as will show the name, title, and address of each person upon whom the Order has been served, as described in subsections VII (A) and VII(B) of this Order, together with the date on which service was made.

The obligations set forth in subsections VII(B) and VII(C) of this Order shall remain in effect until the expiration date of the last to expire of the patents specified in Section I above.

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## VIII.

# (Confidentiality)

Any request for confidential treatment of information obtained the Commission pursuant to Sections V and VI of the Order should be in accordance with section 201.6 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 201.6. For all reports for which confidential treatment is sought, Respondent must provide a public version of such report with confidential information redacted.

## IX.

#### (Enforcement)

Violation of this Order may result in any of the actions specified in section 210.75 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.75, including an action for civil penalties in accordance with section 337(f) of the Tariff Act of 1930, 19 U.S. C. § 1337(f), and any other action the Commission may deem appropriate. In determining whether Respondent is in violation of this Order, the Commission may infer facts adverse to Respondent if Respondent fails to provide adequate or timely information.

## X.

## (Modification)

The Commission may amend this Order on its own motion or in accordance with the procedure described in section 210.76 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.76.

## XI.

# (Bonding)

The conduct prohibited by Section M of this Order may be continued during the sixty (60) day period in which this Order is under review by the President pursuant to section 337(j) of the Tariff Act of 1930, 19 U.S. C. § 13370), subject to Respondent posting a bond in the amount of one hundred (100) percent of the entered value of the articles in question. This bond provision does not apply to conduct that is otherwise permitted by Section IV of this Order. Covered product imported on or after the date of issuance of this Order is subject to the entry bond as set forth in the general exclusion order issued by the Commission simultaneously herewith, and is not subject to this bond provision.

The bond is to be posted in accordance with the procedures established by the Commission for the posting of bonds by complainants in connection with the issuance A temporary exclusion orders (19 C.F.R. § 210.68). The bond and any accompanying documentation is to be provided to and approved by the Commission prior to the commencement of conduct which is otherwise prohibited by Section III of this Order.

The bond is to be forfeited in the event that the President approves, or does not disapprove within the Presidential review period, this Order, unless the U.S. Court of Appeals for the Federal Circuit, in a final judgment, reverses the Commission final determination and order as to Respondent on appeal, or unless Respondent exports the products subject to this bond or destroys them and provides certification to that effect satisfactory to the Commission. The bond is to be released in the event the President disapproves this Order and no subsequent order is issued by the Commission and approved, or not disapproved, by the President, upon service on Respondent of an order issued by the Commission based upon application therefor made by Respondent to the Commission. By Order of the Commission.

By Order of the Commission.

Donna R . Koehnke Secretary

Issued: December 10, 1999

# UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, D.C.

) In the Matter of )) CERTAIN RARE-EARTH MAGNETS ) AND MAGNETIC MATERIALS ) AND ARTICLES CONTAINING SAME )

Inv. No. 337-TA-413

# ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED THAT Respondent cease and desist from conducting any of the following activities in the United States: importing, selling, marketing, advertising distributing, offering for sale, transferring (except for exportation), or soliciting 1~.S. agents or distributors for certain rare earth magnets and magnetic materials in violation of Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337.

I.

# (Definitions)

As used in this Order:

- (A) "Commission" shall mean the U.S. International Trade Commission.
- (B) "Complainants" shall mean Magnequench International, Inc. and Sumitomo Special Metals

Co., Ltd., complainants in this investigation, and their successors and assigns.

(C) "Respondent" shall mean Harvard Industrial America, Inc., 470 Nibus Street, Brea, California, 92621. (D) "Person" shall mean an individual, or any nongovernmental partnership, firm, association, corporation, or other legal or business entity other than the Respondent or its majority owned or controlled subsidiaries, their successors, or assigns.

(E) "United States" shall mean the fifty states, the District of Columbia, and Puerto

# Ricco

(F) "Covered Product" shall mean rare earth magnets and magnetic materials that infringe one or more of the following claims of one or more of the following patents:

claims 1, 4, 5, 8, 9, and 11 of U.S. Letters Patent 4,851,05 8;

claims 1-6, 10, 14-16, and 18-20 of U.S. Letters Patent 4,802,931;

claims 13-18 of U.S. Letters Patent 4,496,395;

claims 2-9, 24, 31, and 34 of U.S. Letters Patent 4,770,723;

claims 2-6, 8-10, 29, 37, and 38 of U.S. Letters Patent 4,792,368; and

claims 1-3, 5, 15, 18, 19, 21, and 22 of U.S. Letters Patent 5,645,651.

(G) The terms "import" and "importation" refer to entry for consumption, entry for consumption from a foreign-trade zone, and withdrawal from warehouse for consumption under the Customs Laws of the United States.

# II.

# (Applicability)

The provisions of this Order shall apply to Respondent and any of its principals, stockholders, officers, directors, employees, agents, licenses, distributors, controlled (whether by stock ownership or otherwise) and/or majority owned business entities, successors, and assigns, and to each of them,

insofar as they are engaging in conduct prohibited by Section III,

infra, for, with, or otherwise on behalf of Respondent.

## Ш

## (Conduct Prohibited)

The following conduct of the Respondent in the United States is prohibited by the Order. The Respondent shall not:

(A) import or sell for importation into the United States covered product except under license of the patent owner;

(B) market, distribute, offer for sale, sell, or otherwise transfer (except for exportation) in the United States imported covered product except under license of the patent owner;

(C) advertise imported covered product except under license of the patent owner;

(D) solicit U.S. agents or distributors for imported covered product except under license of the patent owner; or

(E) aid or abet other entities in the importation, sale for importation, sale after importation,

transfer, or distribution of covered product, except under license of the patent owner.

IV.

# (Conduct Permitted)

Notwithstanding any other provision of this Order, specific conduct otherwise prohibited by the terms of this Order shall be permitted if, in a written instrument, the patent owner licenses or authorizes such specific conduct, or such specific conduct is related to the importation or sale of covered product

by or for the United States.

# (Reporting)

For purposes of this reporting requirement, the reporting period shall commence on July 1 of each year and shall end on the subsequent June 30. However, the first report required under this section shall cover the period from the date of issuance of this Order through June 30, 2000. This reporting requirement shall continue in force until such time as the Respondent will have truthfully reported, in two consecutive timely filed reports, that it has no inventory of covered product in the United States.

Within thirty (30) days of the last day of the reporting period, Respondent shall report to the Commission the quantity in units and the value in dollars of foreign-made covered product that Respondent has imported and sold in the United States during the reporting period and the quantity and value of foreign-made covered product that remains in inventory at the end of the reporting period.

Any failure to make the required report or the filing of any false or inaccurate report shall constitute a violation of this Order and may be referred to the U.S. Department of Justice as a possible criminal violation of 18 U.S.C. § 1001. VI.

## VI.

## (Record Keeping and Inspection)

(A) For purposes of securing compliance with this Order, Respondent shall retain any and all records to the sale, offer for sale, marketing, or distribution in the United States of imported covered product made and received in the usual and ordinary course of business, whether in detail or in summary form, for a period of two (2) years from the close of the fiscal year to which they pertain.

V.

(B) For the purposes of determining or securing compliance with this Order and for no other purpose, and subject to any privilege recognized by the federal courts of the United States, duly authorized representatives of the Commission upon reasonable written notice by the Commission or its staff, shall be permitted access and the right to inspect and copy in Respondent's principal offices during office hours, and in the presence of counsel or other representatives if Respondent so chooses, all books, ledgers, accounts, correspondence, memoranda, and other records and documents, both in detail and in summary form as are required to be retained by subsection VI(A) of this Order.

#### VII.

## (Service of Cease and Desist Order)

Respondent is ordered and directed to:

(A) Serve, within fifteen (15) days after the effective date of this Order, a copy of this Order upon each of its respective officers, directors, managing agents, agents, and employees who have any responsibility for the marketing, distribution, or sale of imported covered product in the United States;

(B) Serve, within fifteen (15) days after the succession of any persons referred to in subsection VII(A) of this Order, a copy of the Order upon each successor; and

(C) Maintain such records as will show the name, title, and address of each person upon whom the Order has been served, as described in subsections VII (A) and VII(B) of this Order, together with the date on which service was made.

The obligations set forth in subsections VII(B) and VII(C) of this Order shall remain in effect until the expiration date of the last to expire of the patents specified in Section I above.

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## VIII.

# (Confidentiality)

Any request for confidential treatment of information obtained the Commission pursuant to Sections V and VI of the Order should be in accordance with section 201.6 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 201.6. For all reports for which confidential treatment is sought, Respondent must provide a public version of such report with confidential information redacted.

## IX.

#### (Enforcement)

Violation of this Order may result in any of the actions specified in section 210.75 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.75, including an action for civil penalties in accordance with section 337(f) of the Tariff Act of 1930, 19 U.S. C. § 1337(f), and any other action the Commission may deem appropriate. In determining whether Respondent is in violation of this Order, the Commission may infer facts adverse to Respondent if Respondent fails to provide adequate or timely information.

## X.

## (Modification)

The Commission may amend this Order on its own motion or in accordance with the procedure described in section 210.76 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.76.

## XI.

# (Bonding)

The conduct prohibited by Section M of this Order may be continued during the sixty (60) day period in which this Order is under review by the President pursuant to section 337(j) of the Tariff Act of 1930, 19 U.S. C. § 13370), subject to Respondent posting a bond in the amount of one hundred (100) percent of the entered value of the articles in question. This bond provision does not apply to conduct that is otherwise permitted by Section IV of this Order. Covered product imported on or after the date of issuance of this Order is subject to the entry bond as set forth in the general exclusion order issued by the Commission simultaneously herewith, and is not subject to this bond provision.

The bond is to be posted in accordance with the procedures established by the Commission for the posting of bonds by complainants in connection with the issuance A temporary exclusion orders (19 C.F.R. § 210.68). The bond and any accompanying documentation is to be provided to and approved by the Commission prior to the commencement of conduct which is otherwise prohibited by Section III of this Order.

The bond is to be forfeited in the event that the President approves, or does not disapprove within the Presidential review period, this Order, unless the U.S. Court of Appeals for the Federal Circuit, in a final judgment, reverses the Commission final determination and order as to Respondent on appeal, or unless Respondent exports the products subject to this bond or destroys them and provides certification to that effect satisfactory to the Commission. The bond is to be released in the event the President disapproves this Order and no subsequent order is issued by the Commission and approved, or not disapproved, by the President, upon service on Respondent of an order issued by the Commission based upon application therefor made by Respondent to the Commission. By Order of the Commission.

By Order of the Commission.

Donna R . Koehnke Secretary

Issued: December 10, 1999

# UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, D.C.

) In the Matter of )) CERTAIN RARE-EARTH MAGNETS ) AND MAGNETIC MATERIALS ) AND ARTICLES CONTAINING SAME )

Inv. No. 337-TA-413

# ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED THAT Respondent cease and desist from conducting any of the following activities in the United States: importing, selling, marketing, advertising distributing, offering for sale, transferring (except for exportation), or soliciting 1~.S. agents or distributors for certain rare earth magnets and magnetic materials in violation of Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337.

I.

# (Definitions)

As used in this Order:

- (A) "Commission" shall mean the U.S. International Trade Commission.
- (B) "Complainants" shall mean Magnequench International, Inc. and Sumitomo Special Metals

Co., Ltd., complainants in this investigation, and their successors and assigns.

(C) "Respondent" shall mean A.R.E., Inc. 782 Pearl Street or 777 Linden Street, Sharon, Pennsylvania 16146.

(D) "Person" shall mean an individual, or any nongovernmental partnership, firm, association, corporation, or other legal or business entity other than the Respondent or its majority owned or controlled subsidiaries, their successors, or assigns.

(E) "United States" shall mean the fifty states, the District of Columbia, and Puerto Ricco

(F) "Covered Product" shall mean rare earth magnets and magnetic materials that infringe one or more of the following claims of one or more of the following patents:

claims 1, 4, 5, 8, 9, and 11 of U.S. Letters Patent 4,851,058; claims 1-6, 10, 14-16, and 18-20 of U.S. Letters Patent 4,802,931; claims 13-18 of U.S. Letters Patent 4,496,395; claims 2-9, 24, 31, and 34 of U.S. Letters Patent 4,770,723; claims 2-6, 8-10, 29, 37, and 38 of U.S. Letters Patent 4,792,368; and claims 1-3, 5, 15, 18, 19, 21, and 22 of U.S. Letters Patent 5,645,651.

(G) The terms "import" and "importation" refer to entry for consumption, entry for consumption from a foreign-trade zone, and withdrawal from warehouse for consumption under the Customs Laws of the United States.

# II.

### (Applicability)

The provisions of this Order shall apply to Respondent and any of its principals, stockholders, officers, directors, employees, agents, licenses, distributors, controlled (whether by stock ownership or

otherwise) and/or majority owned business entities, successors, and assigns, and to each of them,

insofar as they are engaging in conduct prohibited by Section III,

infra, for, with, or otherwise on behalf of Respondent.

# III

# (Conduct Prohibited)

The following conduct of the Respondent in the United States is prohibited by the Order. The Respondent shall not:

(A) import or sell for importation into the United States covered product except under license of the patent owner;

(B) market, distribute, offer for sale, sell, or otherwise transfer (except for exportation) in the

United States imported covered product except under license of the patent owner;

(C) advertise imported covered product except under license of the patent owner;

(D) solicit U.S. agents or distributors for imported covered product except under license of the

patent owner; or

(E) aid or abet other entities in the importation, sale for importation, sale after importation,

transfer, or distribution of covered product, except under license of the patent owner.

# IV.

#### (Conduct Permitted)

Notwithstanding any other provision of this Order, specific conduct otherwise prohibited by the terms of this Order shall be permitted if, in a written instrument, the patent owner licenses or authorizes

such specific conduct, or such specific conduct is related to the importation or sale of covered product by or for the United States.

# (Reporting)

For purposes of this reporting requirement, the reporting period shall commence on July 1 of each year and shall end on the subsequent June 30. However, the first report required under this section shall cover the period from the date of issuance of this Order through June 30, 2000. This reporting requirement shall continue in force until such time as the Respondent will have truthfully reported, in two consecutive timely filed reports, that it has no inventory of covered product in the United States.

Within thirty (30) days of the last day of the reporting period, Respondent shall report to the Commission the quantity in units and the value in dollars of foreign-made covered product that Respondent has imported and sold in the United States during the reporting period and the quantity and value of foreign-made covered product that remains in inventory at the end of the reporting period.

Any failure to make the required report or the filing of any false or inaccurate report shall constitute a violation of this Order and may be referred to the U.S. Department of Justice as a possible criminal violation of 18 U.S.C. § 1001. VI.

## VI.

## (Record Keeping and Inspection)

(A) For purposes of securing compliance with this Order, Respondent shall retain any and all records to the sale, offer for sale, marketing, or distribution in the United States of imported covered product made and received in the usual and ordinary course of business, whether in detail or in summary form, for a period of two (2) years from the close of the fiscal year to which they pertain.

V.

(B) For the purposes of determining or securing compliance with this Order and for no other purpose, and subject to any privilege recognized by the federal courts of the United States, duly authorized representatives of the Commission upon reasonable written notice by the Commission or its staff, shall be permitted access and the right to inspect and copy in Respondent's principal offices during office hours, and in the presence of counsel or other representatives if Respondent so chooses, all books, ledgers, accounts, correspondence, memoranda, and other records and documents, both in detail and in summary form as are required to be retained by subsection VI(A) of this Order.

#### VII.

## (Service of Cease and Desist Order)

Respondent is ordered and directed to:

(A) Serve, within fifteen (15) days after the effective date of this Order, a copy of this Order upon each of its respective officers, directors, managing agents, agents, and employees who have any responsibility for the marketing, distribution, or sale of imported covered product in the United States;

(B) Serve, within fifteen (15) days after the succession of any persons referred to in subsection VII(A) of this Order, a copy of the Order upon each successor; and

(C) Maintain such records as will show the name, title, and address of each person upon whom the Order has been served, as described in subsections VII (A) and VII(B) of this Order, together with the date on which service was made.

The obligations set forth in subsections VII(B) and VII(C) of this Order shall remain in effect until the expiration date of the last to expire of the patents specified in Section I above.

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## VIII.

# (Confidentiality)

Any request for confidential treatment of information obtained the Commission pursuant to Sections V and VI of the Order should be in accordance with section 201.6 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 201.6. For all reports for which confidential treatment is sought, Respondent must provide a public version of such report with confidential information redacted.

## IX.

#### (Enforcement)

Violation of this Order may result in any of the actions specified in section 210.75 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.75, including an action for civil penalties in accordance with section 337(f) of the Tariff Act of 1930, 19 U.S. C. § 1337(f), and any other action the Commission may deem appropriate. In determining whether Respondent is in violation of this Order, the Commission may infer facts adverse to Respondent if Respondent fails to provide adequate or timely information.

## X.

## (Modification)

The Commission may amend this Order on its own motion or in accordance with the procedure described in section 210.76 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.76.

## XI.

# (Bonding)

The conduct prohibited by Section M of this Order may be continued during the sixty (60) day period in which this Order is under review by the President pursuant to section 337(j) of the Tariff Act of 1930, 19 U.S. C. § 13370), subject to Respondent posting a bond in the amount of one hundred (100) percent of the entered value of the articles in question. This bond provision does not apply to conduct that is otherwise permitted by Section IV of this Order. Covered product imported on or after the date of issuance of this Order is subject to the entry bond as set forth in the general exclusion order issued by the Commission simultaneously herewith, and is not subject to this bond provision.

The bond is to be posted in accordance with the procedures established by the Commission for the posting of bonds by complainants in connection with the issuance A temporary exclusion orders (19 C.F.R. § 210.68). The bond and any accompanying documentation is to be provided to and approved by the Commission prior to the commencement of conduct which is otherwise prohibited by Section III of this Order.

The bond is to be forfeited in the event that the President approves, or does not disapprove within the Presidential review period, this Order, unless the U.S. Court of Appeals for the Federal Circuit, in a final judgment, reverses the Commission final determination and order as to Respondent on appeal, or unless Respondent exports the products subject to this bond or destroys them and provides certification to that effect satisfactory to the Commission.

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The bond is to be released in the event the President disapproves this Order and no subsequent order is issued by the Commission and approved, or not disapproved, by the President, upon service on Respondent of an order issued by the Commission based upon application therefor made by Respondent to the Commission. By Order of the Commission.

By Order of the Commission.

Donna R . Koehnke Secretary

Issued: December 10, 1999